

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

RETAIL ACCESS OPTIMIZATION INITIATIVE

Docket No. N2011-1

NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING ERRATA
(November 8, 2011)

The Postal Service hereby gives notice of filing errata to its initial brief, filed on November 4, 2011. Minor corrections to pages 26, 49, 52, and 80 are being filed as an attachment to this pleading. The corrections are shown in gray highlighted text. The Postal Service regrets the inconvenience, but does not believe any party is prejudiced.

Respectfully submitted,

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reviewing public input before any possible discontinuance is forwarded to Headquarters with a recommendation that a particular retail facility be discontinued – regardless of whether review of that single facility was initiated locally in isolation from other possible discontinuances or as part of a broader, top-down initiative. See *also*, USPS-T-1 at 19-20; USPS Handbook PO-101 at § 133.

The process provides multiple channels and multiple opportunities for public input. It is designed to ensure that the headquarters review team has sufficient information to assess whether customers served by the retail facility being proposed for discontinuance will retain ready access to essential services if that facility were discontinued and to make an appropriate recommendation to the Vice President for Delivery and Post Office Operations, who is responsible for making the final agency decision. The process is designed to ensure that postal management considers sufficient data and incorporates appropriate judgment in making reasonable, informed decisions regarding the allocation of finite retail network resources.

The Postal Service does **not** pretend that the criteria used to select RAOI candidate facilities described at pages 14-17 of USPS-T-1, or the recently revised USPS Handbook PO-101 discontinuance review process, reflect the only reasonable approaches to identifying and assessing opportunities to discontinue retail operations at various locations.²² However, the record in this docket demonstrates that the candidate selection criteria are both reasonable and

²² USPS Vice President Granholm acknowledges that the Postal Service is investigating the use of modeling techniques that might be employed to identify discontinuance review candidates and other retail options in the future. Tr. Vol. 1 at 620.

previous or anticipated postal initiatives, as opposed to the one proposed in this docket. See, e.g., Tr. Vol. 3 at 1203, lines 8-11; NNA-T-1 at 11, lines 11-12.

There is no basis for NNA's concern that a newspaper currently eligible for In-County prices may lose such eligibility if the Postal Service discontinues all Post Offices in the newspaper's county. While witness Heath asserts that "a challenge to [a] newspapers [sic] eligibility as a 'within-county' product/price user is possible" "if future closings leave a newspaper without an in-county original entry office," (NNA-T-1 at 5), no record evidence establishes that RAOI will create that result. See Tr. Vol. 3 at 1047. Moreover, even if the Postal Service were to **discontinue** all Post Offices in a specific county, the existing regulations would permit an In-County newspaper to maintain its eligibility for those prices. Specifically, *Domestic Mail Manual* (DMM) 707.11.3.2 permits newspapers to pay In-County prices when those newspapers are addressed to a destination within the county of publication and the entry Post Office serving that address is outside the county. Accordingly, NNA's concern cannot manifest itself if any RAOI nominated office is discontinued.

NNA's concerns regarding the potential loss of exceptional dispatch offices (NNA-T-1 at 7) should not impact the Commission's opinion in this docket. Contrary to NNA's suggestion, RAOI does not entail change to Postal Service policy regarding exceptional dispatch, set forth in DMM 707.28.3. In any event, as USPS Witness Boldt explained in his testimony (Tr. Vol. 1 at 470, lines 5 through 18) and as acknowledged by Witness Heath (Tr. Vol. 3 at 1044), the elimination of exceptional dispatch offices serving a specific area could result in

policy by incorrectly supposing that a community meeting is optional. Tr. Vol. 3 at 1033. In fact, regulations require the conduct of a community meeting unless exceptional circumstances enable a Postal Service officer to authorize otherwise. NNA's failure to design a survey that collects accurate information across respondents, or accurately reflects current policy, illustrates the absence of a commitment to collect reliable information.

Other survey questions sought only to elicit the subjective views of survey participants about their perceptions of the discontinuance process. Tr. Vol. 3 at 1218-19. Such responses provide little useful guidance to the Postal Service or the Commission about the discontinuance process. Regardless, the Postal Service has demonstrated through the rebuttal testimony of Witness Boldt its dedication to the proper conduct of community meetings, and collection of the necessary feedback from customers that informs Postal Service decisions.

NNA's concerns regarding the impact of RAOI on community newspapers may well be perceived by publishers as genuine, even if the evidence supporting NNA's views is weak. However, specific impacts upon particular newspapers are quite unlikely and amenable to attention paid during discontinuance studies should any ever impact a particular newspaper. NNA's generalized concerns about community meetings are not new; nor are they substantiated as a matter of objective fact. While the Postal Service can understand that small newspapers, whose operations have thin margins, perceive change in the world as threatening, nothing inherent to RAOI specifically targets small newspapers or their existence. NNA's concerns do not change the basic vitality of the RAOI

been served with “the operating costs for all the offices, the location for all the offices, the revenue for all the offices, hopefully the costs broken down by cost segment.” *Id.* Then, Mr. Klingenberg provides the explanation for his misbegotten understanding of RAOI; “You know, a very informed and educated way of looking at what the potential cost savings could be, and maybe revenue broken down by some demographic information to think about from a marketing perspective, and what happens next if this [P]ost [O]ffice closes.” *Id.*

As the Postal Service has repeatedly had to explain throughout this docket, RAOI is not driven by a cost savings goal. It is simply a test of a newly established authorization for Headquarters officials to nominate, for the first time, four groups of retail facilities for the conduct of discontinuance studies, in a legal context where a request for an advisory opinion is mandatory. No financial goals exist within RAOI. Since that discontinuance process already defines how and whether postal officials can, in conformity with the law, conclude whether a facility’s operation is amenable to discontinuance, RAOI can do no more than nominate offices. It cannot also embrace a financial goal that might prove untenable, or illegal. Further, as some participants make a point of repeating, RAOI cannot possibly have financial consequences that bear directly upon the magnitude of the financial challenges faced by the Postal Service. RAOI is, accordingly, a small step in the direction of retail network optimization with, at best, modest potential. The Postal Service can only learn whether one or more of the facility groups is, or is not, amenable to discontinuance—or more likely—whether respective facilities within each group are each amenable to